



KING COUNTY INVESTMENT POOL NEWSLETTER

Volume 12, Number 1 December-2007

Portfolio Breakdown

The following is a breakdown of the Investment Pool holdings for December 2007

	Average (\$000)	% of Portfolio
U.S. Agency Securities	1,765,662	40.8%
Commercial Paper	281,078	6.5%
Taxable Municipal Securities	67,899	1.6%
Bankers Acceptances	-	0.0%
U.S. Agency Mortgage-backed Securities	88,341	2.0%
Repurchase Agreements	911,742	21.1%
Treasury Securities	-	0.0%
Certificates of Deposit	863,243	19.9%
Local Government Investment Pool	353,092	8.2%
Reverse Repurchase Agreements	-	0.0%
Total	\$4,331,057	

King County Pool Rating

S&P Credit Quality Rating: AAAf/CWN*

S&P Volatility Rating: S1

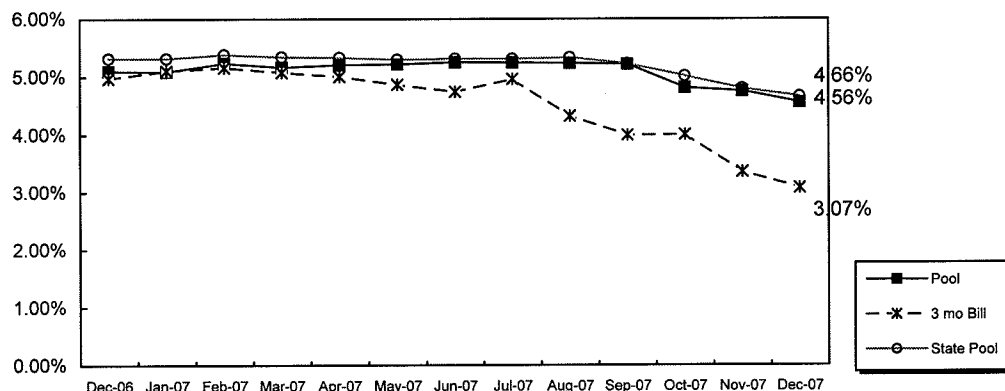
Go to WWW.Standardandpoors.com and look under "Funds" and then "Government Investment Pools" and then "Reports/Profiles" for more info.

*** Credit watch negative**

*Average Pool Effective Duration: 0.55 Years

*Duration is a measure of the length of the portfolio's expected cash flows and is a better measure of average portfolio life than maturity.

Investment Pool Performance (before Pool fees)



Pool Net Asset Fair Value on December 31, 2007	
Net Assets	4,203,695,029.47
Net Assets Consist of:	
Participant units outstanding (\$1.00 par)	4,273,681,238.80
Undistributed and unrealized gains(losses)	(69,986,209.33)
Net Assets	4,203,695,029.47
Net asset value at fair value price per share	
(\$4,203,695,029.47 divided by 4,273,681,238.80 units)	0.9836

Consistent with our monthly practice, King County has obtained market quotes on all investments, including the four distressed commercial paper investments. The distressed assets represent about 5% of the pool's month-end asset, and have been factored into the overall net asset value for the pool in November, which stands at about 98.36 cents per dollar invested in the pool. The distressed commercial paper investments are each part of "enforcement events" where a third party receiver is appointed to ensure maximum value to senior creditors, such as the County pool. Actual financial impacts to the pool cannot be determined until these enforcement events are concluded. On December 17th, the County sent out an email to all pool members announcing the adoption of an "impaired investment policy" that will guide decision making and ensure equitable treatment for all pool members. King County remains committed to sharing information with pool members about investment holdings and the impacts of the current turmoil in global credit markets. Please call the Treasury Operations number at 206-296-7326 if you have questions or need any additional information.

Standard & Poor's Fund Ratings represent an opinion only, not a recommendation to buy or sell.